

Public Roads and Private Property

Frequently Asked Questions (FAQ)

1. Q. Why do you want my property and not my neighbors?

A. All reliable facts and figures show this is the best location for the proposed transportation improvement.

2. Q. What are the advantages of selling my property to the State?

A . You will receive fair market value established by a licensed appraiser.

- You will receive cash.
- You will not pay a sales commission.**
- You will not pay the real estate transfer tax.
- You will not pay for title insurance or abstract costs.
- The Department will pay closing costs in connection with the sale of your property.
- You will receive a pro-rated refund of your most recent year's paid property taxes.

**You may owe a commission if your home is listed with a Realtor at the commencement of negotiations.

If You Are Required to Relocate

- You will receive relocation assistance.
- You are assured of being able to relocate into housing that meets local codes and ordinances.
- You may receive a supplemental payment to relocate into comparable housing.
- You will receive personal property moving costs.
- You may receive an interest differential payment on your replacement mortgage if the interest rate is higher.
- You may be reimbursed for closing costs for the purchase of your replacement dwelling.

3. Q. Will I receive a fair price for my property?

A. You are entitled to receive fair market value, as defined on Page 5. This value is

determined by licensed appraisers and carefully reviewed to ensure state and federal requirements and acceptable appraisal standards are met. If you believe MDOT's offer does not include everything for which you are entitled to be paid, you may submit a written claim.

4. Q. How long do I have to make a written claim?

A. Within 90 days of the date of the original offer, or 60 days after the condemnation case is filed, whichever is later.

5. Q How does the Michigan Department of Transportation determine fair market value?

A. Michigan Department of Transportation appraisers or contracted appraisers make a thorough study of the surrounding neighborhood and of local and general economic facts. They consider the highest and best use of the property. The value is based on comparison of your property with other properties recently sold in your area. In some Instances, it may be necessary to obtain from you certain financial information to help the appraiser determine fair market value. If this financial information is obtained, it will remain confidential, except to the extent that it is utilized in determining just compensation, in legal proceedings, or as provided by court order. You will be reimbursed actual and reasonable copying costs, plus up to \$1000 in other actual and reasonable costs incurred in responding to MDOT's information request.

6. Q. What #MDOT's project renders my remaining property nonconforming with local zoning ordinances?

A . You may be asked to cooperate with MDOT in seeking a zoning variance. If a variance cannot be obtained, this fact will be considered in determining the compensation to be paid.

7. Q. Are improvements considered in the appraisal?

A. Yes. You should inform the appraiser of all improvements to your property.

8. Q. Will I have to pay income tax on my sale to the State?

A . This is a highly technical question. You should contact the Internal Revenue Service or a tax consultant for specific details.

9. Q. What about VA loans?

A. The Veterans Administration recognizes that the sale of your property to the State is not one of your choosing. Your VA loan privileges continue and are available for coverage on another property.

10. Q. Do I have to pay the prepayment penalty if such a clause exists in my mortgage ?

A. As a general rule, no. Since the negotiated sale of your property to the Michigan Department of Transportation is considered an involuntary sale, mortgage loan companies will usually waive the prepayment penalty when you pay your loan in full as a result of the State's purchase of your property. If you do have to pay a penalty, it is reimbursable by MDOT.

11. Q. Who is eligible to receive a payment to cover the cost of moving personal property?

A. Any owner or tenant whose personal property must be moved because of a transportation project is eligible for a reimbursement of moving costs.

12. Q. Who Is eligible to receive a supplemental housing payment?

A. An owner who has owned and occupied the property for at least 180 days prior to the beginning of negotiations may qualify for a replacement housing payment. An owner or tenant who has occupied the property for at least 90 days prior to the beginning of negotiations may qualify for a replacement rental payment or purchase down payment.

13. Q. How soon must I occupy a replacement dwelling in order to receive an of my relocation benefits and can this date be extended?

A. Owners must occupy a decent, safe, and sanitary replacement dwelling within one year of the date that final payment is received for the state-acquired property or, in a condemnation case, one year after the estimate of just compensation is deposited. Tenants must occupy a decent, safe, and sanitary replacement dwelling within one year of the date that they move from the state-acquired dwelling. This time period may be extended for *just cause.

14. Q. How long do I have to claim my supplemental housing payment?

A. Owners must file their claims within 18 months of either the date they move or the date of final payment for the state-acquired dwelling, whichever is later. Tenants must file all claims within 18 months of the date they move from the state-acquired property.

15. Q. Will the court consider the supplemental housing payment in the condemnation proceedings?

A. A housing supplement is not covered in the property condemnation law and cannot be litigated under this law.

16. Q. Can I be sure that suitable replacement housing will be available to me before I must move from my present home?

A. Yes. The Uniform Relocation Act provides that the Michigan Department of Transportation must offer you suitable replacement housing before it can issue you a notice to vacate.

17. Q. Who is entitled to receive a purchase down payment?

A. A tenant-occupant of more than 90 days, or an owner-occupant of more than 90 days but less than 180 days prior to the first written offer, who purchases a replacement home. The money must be spent on the replacement house. Homeowners who have lived in their homes 180 days or more are not eligible for this payment, since they are eligible for a replacement housing supplement.

18. Q. How much supplemental housing payment will I receive?

A. A written determination of your maximum supplemental payment will be provided by MDOT's acquisition agent. It is based on comparable homes available for purchase on the open market.

19. Q. May I appeal my housing supplement if I disagree?

A. Yes. You may appear in person or appeal in writing to the Regional Real Estate Agent. Further, you may appeal to the Director of Transportation if you still disagree with the Regional determination.

20. Q. May I receive benefits if I go out of business?

A. Yes. You may be eligible to receive a payment, based on your net Income (or gross revenue less administrative costs for non-profit organizations), in lieu of all other moving allowances.

21. Q. May I keep my home or other buildings?

A. Yes, providing arrangements are made at the time the Option to Purchase Land is signed. A salvage value will be determined for the structure you wish to keep, and this amount will be deducted from the compensation. Additionally, a site clearance deposit will be held out of the compensation until the buildings are removed and all provisions of the Option to Purchase Land are met.

22. Q. How long will I have to remove these buildings?

A. Buildings must be removed within 30 to 90 days after closing with the Michigan Department of Transportation, unless other terms are specifically agreed upon.

23. Q. What will happen to my buildings if I do not retain them?

A. They may be advertised and sold of public sale.

24. Q. What about outstanding loans on my property?

A. You are responsible for these obligations. They will be deducted from the compensation from the Department.

25. Q. How far In advance will I know that my property is needed?

A. The Michigan Department of Transportation will advise you well in advance of actual negotiations, through public hearings and personal visits. Do not act on rumors. Be sure you have the facts from the Michigan Department of Transportation.

26. Q. When will the Michigan Department of Transportation take possession of my property?

A. This usually occurs within 30 to 90 days after your check has been delivered and the deed is executed.

27. Q. Will you reimburse me if I hire my own experts to evaluate your offer?

A. Reasonable costs and fees may be reimbursed, as provided by law.

28. Q. If my property is condemned and the State takes possession of it before the case is settled in court, can I receive my payments to relocate?

A. Yes. You will receive the amount of the State's offer at the time the State takes possession of your property and your relocation payments after you move into your replacement site.

29. Q. If my property Is enrolled in The Farmland and Open Space Program (P.A. 116),

will I be penalized?

A. If the release is granted as a public necessity for a transportation project, the property owner will not be required to pay a penalty.

30. Q. I haven't done anything to pollute, so why does MDOT want to examine my property for environmental contamination?

A. MDOT is required by state law to investigate all properties that it acquires for possible contamination. This does not mean that your property is suspected of being contaminated. It merely means that MDOT is fulfilling its obligation under state law.

31. Q. What happens if my property is found to be contaminated? Will I be forced to pay for cleaning up the pollution?

A. This is a complicated question. The answer depends upon specific circumstances. In general, under state law, if you did not cause the contamination, you are not liable for it.

32. Q. If I allow MDOT to test my property, will MDOT guarantee that I won't be liable for any contamination that is found?

A. No. The question of your liability for contamination is governed by state and federal environmental laws.

33. Q. If contamination is found, will MDOT notify the Michigan Department of Environmental Quality (MDEQ)?

A. The property owner is required by law to report contamination to the MDEQ. If contamination is found by MDOT, the property owner will be supplied complete information. MDOT will allow the property owner time to make notification to MDEQ. If notification is not made by the property owner, MDOT will notify MDEQ of its findings.

34. Q. IF I refuse to allow MDOT to test my property, what happens?

A. MDOT may seek a court order under Act 87 to conduct an environmental inspection on the property.